

# BOARD OF PUBLIC WORKS

## *Vision*

The Board of Public Works exists to improve the quality of life of the customers we serve.

## *Mission*

We are dedicated to providing our current and future customers with utility and other value added services in a safe, reliable, and economical manner consistent with sustainable growth, community involvement, and environmental stewardship.

**Regular Meeting of the Board of Public Works was held in Lewes City Hall, Council Chambers, 114 East Third Street, Lewes, Delaware on Wednesday, January 25, 2012 at 7:00 p.m.**

### **Board Members Present:**

*C. Wendell Alfred*  
*D. Preston Lee*  
*James N. Richmann*  
*Candace Vessella*

### **Board Member Not Present:**

*Jack Leshner*

### **Ex-Officio Members Present:**

*Paul Eckridge – City of Lewes Manager*  
*Fred Beaufait – Lewes City Council*  
*Darrin Gordon – General Manager*  
*Heidi Wagner – Asst. General Manager*  
*Glenn C. Mandalas – Legal Council*

### **Ex-Officio Members Not Present:**

*James L. Ford, III – Lewes Mayor*

### **Others Present:**

*Henry Evans – Cape Gazette*  
*Nina Cannata - Resident*  
*Bob Doyle – Resident*  
*Joe Hoechner – Resident*  
*Linda Rathmanner – Resident*  
*Barry Simmerman - Resident*  
*Jim Sleasman – Resident*  
*Joe Slomon - Resident*

## **1. Welcome, Call Meeting to Order and Pledge of Allegiance**

At 7:00 p.m., President Alfred welcomed everyone, called meeting to order and led Pledge of Allegiance. A moment of silence was held for our troops serving abroad.

## **2. Roll Call**

President Alfred stated all Board Members [except Jack Leshner], General Manager Darrin Gordon, and Glenn Mandalas, Legal Counsel are present. Mayor James Ford was absent.

Candace Vessella introduced and welcomed Heidi Wagner as Lewes BPW Asst. General Manager; Heidi Wagner just joined Lewes BPW coming from the Delaware Public Service Commission.

## **3. Revisions and/or Deletions to the Agenda**

President Alfred asked for any revisions and/or deletions to agenda; none requested.

## **4. CONSENT AGENDA:**

- a) Receive General Manager Monthly Report.
- b) Receive Severn Trent Report.
- c) Receive President Report.
- d) Receive Vice-President Report.
- e) Receive Secretary Report.
  - 1. Approval of Minutes dated November 30, 2011.
- f) Receive Treasurer Report.
- g) Receive Asst. Treasurer Report.

James Richmann moved for approval of Consent Agenda, Preston Lee seconded, and motion unanimously carried. President Alfred confirmed Consent Agenda is approved as submitted.

**5. Open forum/general discussion on the BPW Electric Tariff presented by Jim Richmann, Board Asst. Treasurer, and Darrin Gordon, General Manager.**

**INFORMATION:**

Darrin Gordon referenced Resolution No. 12-001. BPW continually reviews budget to ensure tariffs and rates are appropriate and accurate; Jack Leshner noted BPW is receiving approximately \$42,000 monthly in savings as demonstrated on two Constellation Energy invoices detailing December 2010 and December 2011. The Locational Reliability Charge, involving peak power for summer and winter, is shown on third line down indicating a change in how this cost has been allocated to BPW; therefore, BPW is passing this savings to the customers.

**Residential Energy Charges** currently \$0.133978 per kWh are reduced to \$0.123804 per kWh [a 7.6% reduction].

**Commercial Energy Charges** currently \$0.147978 per kWh are reduced to \$0.138981 per kWh [a 6.1% reduction].

**Industrial Energy Charges** already include an estimated rate savings of about 5.5% to 6%.

**DISCUSSION:**

Darrin Gordon recommends adjusting rates for customers.

James Richmann also endorses the rate reduction. In addition to these savings, BPW and Darrin Gordon are taking steps to improve the efficiency of the operation i.e. recognizable strides in cost reductions effective over last six months and last month took first step towards lowering rates electric rates by entering into a contract with Delaware Municipal Electric Corporation providing a five-year stable platform for rates. Jack Leshner and Jim Richmann reviewed BPW income statement and balance sheet to confirm this cost reduction does not have BPW losing money nor earning money by not providing services. This measure is second in a series of measures planned by BPW to reduce the impact and financial burden for citizens and ratepayers; first measure was signing 5-year contract and third measure is a comprehensive review of rate structures for all utilities with Cost of Service Study.

**ACTION:**

James Richmann motioned BPW adopt Resolution 12-001 reducing residential rates by 7.6% and commercial rates by 6.1% based on understanding this is a necessary action within realm of financial stewardship of organization.

Preston Lee read Res. 12-001 into record; Glenn Mandalas indicated change of date to 25 January 2012 on last line.

Candace Vessella seconded.

President Alfred opened floor for questions from the public.

- Joe Hoechner asked if rate reduction was temporary. Darrin Gordon answered plan is for reduction to be effective for at least 12 months. Impact of DEMEC contract effective June 1, 2012, could mean possibility of further reduction; if a small amount, could be done through PPCA although not discussed as yet.

President Alfred polled Board individually: James Richmann voted aye because it is fair, equitable and appropriate for goals stated, it supports safety, health and welfare of community, it provides for continuity, reliability and quality of service, ensures adequate financing for environmental protection, and ensures efficiency and financial responsibility including payments of debts owed by BPW. Preston Lee voted aye for same reasons and because safe and reliable electric services can be provided at these rates. Candace Vessella voted aye as it is consistent with approach by the Board to do a thorough examination of issues before making a decision and believes it has been thoroughly vetted as appropriate answer at this time. President Alfred voted aye and thanked Board members as he is thoroughly pleased with Treasurer, Asst. Treasurer, and General Manager for doing necessary work to accomplish this resolution.

Motion carried unanimously.

**NEW BUSINESS**

**6. Open forum/general discussion on the BPW Resolution 10-010, Amendment of a Stormwater Tariff June 2010 and discussion of the Pilottown Village Home Owners Association request for Stormwater Credit Consideration. (D. Gordon)**

**INFORMATION:**

Joe Hoechner requested this agenda item through a memo to President Alfred. The 2010 resolution needs clarification especially the line stating credit shall be issued. The Resolution 10-010 handout details 600 Waivers, Credits and Adjustments with an explanation how to apply which is what is needed for now. The Homeowners Association should review before going discussing with general membership. Jim Sleasman reviewed requirements for application.

**DISCUSSION [An additional request]:**

Joe Slomon, Chairman of Highland Acres Tax Ditch, requested a \$15/yr. credit for Stormwater that runs on that end of town including Stormwater running off the City's sewers into the tax ditch. We believe people at Highland Acres Tax Ditch should receive some form of credit for handling the Stormwater. Lewes BPW has a ditch back there running up to the south side of Ocean View Boulevard and nothing has been done with the leaves and debris; ones running along the homes for Highland Acres Tax Ditch are cleaned and water is carried off and maintained including the City's. The homeowners should be credited for \$15/yr. to pay for administration costs. Treatment with runoff is also an issue.

President Alfred requested time to evaluate and clarify before trying to resolve.

Darrin Gordon explained the properties are assessed to be reflective of each contribution. The \$5/month charge is basically for the general good of the community; BPW works to keep the pipes clean, the catch basins open, and also make sure main thoroughfares are open. If requests for credits become common, assessing each individual situation will become difficult and the base \$5 charge will need to increase.

**ACTION:**

Darrin Gordon will follow through with the individuals to try to resolve the requests.

**INFORMATION:**

**ACTION:**

**8. Open forum/general discussion on the current Capital Improvement Projects currently underway; Bay Avenue, Well Field Generator, Water Production Plant. (D. Gordon)**

**10. Meetings attended by Board Members or Staff.**

Preston Lee attended December and January City Council Meetings; December 6, 2011 meeting with design firm for water plant; December 8, 2011 Streets Committee Meeting; December 9, 2011 Bay Avenue sewer pre-bid meeting; December 23, 2011 bid opening meeting; two meetings on water main crossing, and bid opening today for the road. Candace Vessella attended Planning Commission Meeting as ex-officio member representing BPW last week.

**11. Board or Staff Requests for Agenda Item(s).**

- President Alfred said Pilottown Village HOA and Highland Acres Tax Ditch issues may need to be added to agenda for further discussion.
- James Richmann is meeting with Jack Leshner and Darrin Gordon for Cost of Service Study and will give a progress report at a general meeting. Darrin Gordon said 2012 Calendar of agenda items include budget and Cost of Service Study. Discussion followed about time being limited to prepare a strategic plan with finances, budget, and capital projects. Board members will work to coordinate meeting dates.

A retreat date will be scheduled and posted appropriately for the public.



James Richmann invited interested citizens who want to participate in the work process of getting materials together for the upcoming election cycle to notify the Board.

President Alfred expressed sympathy on behalf of the Board for the loss of Gilbert Holt, a true dedicated BPW employee for many, many years. Also, Hubie Galati's wife passed away with cancer; Hubie worked with water issues and was always helping residents. Board sends continued sympathies to these families; both are missed.

**12. Call to the Public**

Nina Cannata confirmed ready-to-serve sewer charges are part of the Cost of Study discussion and will submit suggestions to Darrin Gordon.

**13. Call to the Press**

No questions or comments.

**14. Adjournment**

Meeting adjourned at 7:50 p.m.

No executive session.

Recorded by: Rosemary Shannon